



# Hamilton County

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## Comprehensive Recommendations for the 2010 Hamilton County General Fund Budget

*Proposed by Commissioner Greg Hartmann*

I appreciate the tremendous amount of cooperation and collaboration from all County departments to produce a balanced budget in 2010. During the most challenging economy we've experienced in decades, I am pleased that this budget is balanced without increasing undue economic burden on Hamilton County taxpayers.

While the 2010 Administrator's budget strives to do its best to address public safety priorities of our County, I believe that more can and must be done. I remain concerned that there have been indications, through public budget hearings and referenced in the Administrator's budget, that the potential still exists for the Sheriff, Prosecutor, and Coroner to require additional funds to successfully achieve their 2010 budgets.

**My recommendation for the 2010 general fund budget seeks to reallocate \$2.1 million of departmental budgets to better support public safety services in Hamilton County.** The ability to conduct criminal investigations, enhance public safety personnel levels and maintain safe neighborhoods should be our top funding priorities. Above all else, these are core services of County government that we must seek to preserve.

My plan advocates for further funding reductions to the County Administration, Budget, Purchasing, Facilities and Human Resources departments; recalibration of Economic Development Funding; a 5% across the board reduction in non-personnel expenditures; elimination of earned personal day payouts for Commissioner controlled departments and elimination of the general fund subsidy to the County Law Library. Most important, this plan focuses on non-personnel expenditures to achieve savings while limiting the number of employee reductions.

**Through the \$2.1 million in reductions to other areas of the budget, I request consideration of the following items to be funded in the 2010 General Fund Budget:**

- Re-hire 20 Sheriff's Deputies (\$1,000,000).
- Fully fund the Prosecutor's Victims Advocacy Division (\$400,000).
- Purchase 100 additional Electronic Monitoring Units to support the Hamilton County Courts (\$400,000).
- Fully fund the Coroner's Crime Lab (\$300,000).

If we cannot maximize reductions to assist with funding of public safety services during tough economic times, then we certainly can't expect bureaucratic reduction or efficiency in County government during strong economic times. We have all said that we can't spend what we don't have and need to live within our means. Additionally, we have all expressed our commitment to public safety in Hamilton County. If there was ever a time to sincerely demonstrate these priorities, it is now.

In addition to the recommended cuts and reallocation, I believe we need to focus on additional measures to more effectively control spending, increase cost savings and comprehensively address structural needs within our budget. I look forward to working with County Administration to implement these changes with Board approval.

Thank you for your consideration of these recommendations.

## **OVERVIEW OF 10 RECOMMENDED ACTIONS TO ADDRESS 2010 BUDGET NEEDS**

1. Enact \$2.1 million In Budget Reductions And Reallocate To Fund Public Safety
2. Implement 2010 Spending Controls For All County Departments
3. Conduct A Comprehensive County Contract And Procurement Review
4. Hamilton County Purchasing Summit
5. Consultant Contract Standardization To Reduce Use Of Services
6. Go Paperless
7. County Building Space Consolidation Review
8. Identify Highest And Best Use Of Limited Economic Development Funds
9. Eliminate Employee Travel In 2010
10. Reduce Use Of The Word "Miscellaneous" Throughout The Budget

## **1. ENACT \$2.1M IN BUDGET REDUCTIONS**

I have identified \$2,101,685 of spending reductions to be reallocated to assist with public safety services in the budgets of the Sheriff, Prosecutor, Coroner and on behalf of the Hamilton County Courts. My recommendations are:

**A. Additional 5% reduction in non-personnel expenditures across all general fund departments = \$745,000**

**B. Enact \$1,356,685 in additional recommended reductions for Board of Commissioners Controlled Departments:**

\$54,000	County Administration/Budget/Purchasing additional reductions
\$210,000	County Facilities Department additional reductions
\$290,685	County Human Resources Department additional reductions
\$480,000	**Recalibrate Economic Development funding
\$202,000	Eliminate County Law Library General Fund Subsidy
\$120,000	Eliminate Earned Personal Day Payouts

**TOTAL = \$1,356,685**

*\*\*Reductions in full detail on pages 4-8 of this plan.*

**TOTAL A + B = \$2,101,685**

**C. Reallocate \$2.1 million to fund public safety to services:**

- **Re-hire 20 Sheriff's Deputies (\$1,000,000).**
- **Fully fund the Prosecutor's Victims Advocacy Division (\$400,000).**
- **Purchase 100 additional Electronic Monitoring Units to support the Hamilton County Courts (\$400,000).**
- **Fully fund the Coroner's Crime Lab (\$300,000).**

**TOTAL = \$2.1 million**

## **Reductions and Reallocations In Detail**

### **A. Additional 5% reduction in \$15 million of non-personnel expenditures across all general fund departments**

**TOTAL SAVINGS: \$745,000**

\*Excluding the Sheriff's Dept \*\*Excluding the Veterans Commission due to contract

In the following 47 general fund budget categories:

Advertising	Electric Service	Office Supplies
Appliances Repair & Maintenance	Engineering Services	Other Equipment
Building Repair & Maintenance	Food Supplies	Other Operating Supplies
Building Supplies - electrical	Freight Cartage Expense of Moving	Printing & Publishing
Building Supplies - HVAC	Inspections	Rent of Office Equipment & Furniture
Building Supplies - maint shop	Janitorial Supplies	Safety Training and Consulting
Building Supplies - miscellaneous	Letter & Sign Work	Sidewalk Repair
Building Supplies - painting	Lodging Services	Small Office Equip & Computers under \$5k
Building Supplies - plumbing	Messenger Service	Small Tool & Minor Equipment
Building Supplies - security	Misc Machine Repair	Subscriptions & Memberships
Clock & Alarm Repair	Misc Repairs & Maintenance	Training Services
Clothing	Misc Repairs & Maintenance Supplies	Travel Reimbursement Elected Official
Computer Software	Misc Road Material Supplies	Travel Reimbursement Regular Employee
Court Reporting	Misc Travel	Uniform & Personal Equipment
Data Processing Equipment	Motorized Equipment Parts	Vehicles & Equipment
Electric Repair & Maintenance	Office Furniture & Equipment	

Once again, I express my thanks and appreciation to all Hamilton County general fund departments for their demonstrated leadership to achieve the leanest budget Hamilton County has experienced in a decade. As a result of the cooperation and collaboration that has occurred, I believe that I can approach all departments with one final appeal.

After conducting a detailed review of the general fund budget, I respectfully request that all departments voluntarily choose to make an additional 5% reduction to their non-personnel expenditures listed above. A permanent 5% reduction in non-personnel expenditures could achieve over \$745,000 in savings to be rededicated in support of Hamilton County public safety personnel.

The additional reduction of 5% in non-personnel expenditures would generate over two-thirds of the funds needed to hire back over 20 Sheriff's deputies. The full sum of this savings will be paired with additional reductions I recommend from Board of Commissioners controlled departments to hire back the 20 deputies and fund other public safety functions as outlined in this proposal.

The Sheriff's department has been reduced by over 153 deputies in the last two years. While there are still many public safety concerns to address within our county, together, we have the ability to put 20 more deputies back on the roads and in our communities.

\_\_\_\_\_ Mr. Hartmann      \_\_\_\_\_ Mr. Pepper      \_\_\_\_\_ Mr. Portune

## Reductions and Reallocations In Detail (cont'd)

### B. Enact \$1,356,685 in additional recommended reductions for Board of Commissioners Controlled Departments:

#### 1.) County Administration/Budget/Purchasing Departments

**TOTAL SAVINGS: \$54,000 (\*\*\$59,893 actual)**

*\*\*Difference noted contemplates some reductions already existing.*

\$7,417	Eliminate Travel Budgets of Administration/BSI/Purchasing
\$2,500	Eliminate County Administrator Food Supply Budget
\$9,900	Reduce County Administrator Printing and Publishing Budget to \$2,000
\$6,200	Reduce County Administrator Advertising Budget to \$2,000
\$16,876	Reduce Office Supply Budgets Administration/BSI/Purchasing
	*Administration reduced to \$7,000, BSI reduced to \$1,000, Purchasing reduced to \$4,500
\$6,000	Renegotiate Sean Dunn & Associates contract to \$18,000
\$10,000	Eliminate Bonus for County Administrator

These departmental budgets are controlled directly by the Commissioners and I recommend the reduction and elimination of a number of administrative line items. In the context of the overall budget, some may view these adjustments to be inconsequential, yet, the sum of these recommended reductions adds up to over \$45,000 in savings to be rededicated in the name of public safety.

My decision to eliminate the County Administrator's bonus in 2010 reflects my position that it would be contradictory to issue an additional bonus to the Administrator during the most difficult budget our County has seen in a decade. It is in no way a reflection of my judgment of the work of the County Administrator.

\_\_\_\_\_ Mr. Hartmann      \_\_\_\_\_ Mr. Pepper      \_\_\_\_\_ Mr. Portune

#### 2.) Facilities Department

**TOTAL SAVINGS: \$210,000**

\$50,000	Reduce waste hauling contracts for all county buildings
\$100,000+	Scioto Corporation facility cleaning contract reduced to 3 days/week
\$50,000	Reduce Janitorial Supplies Budget (Building Services only - OCA 060038-620)
\$5,000	Reduce total travel budget for Facilities Department to \$2,595
	*Excluding JFS reimbursed travel allocation of \$2,000 (OCA 060058-749)
\$5,000	Reduce Administration Office Supply Budget to \$8,749 (OCA 0060020-611)

The county's waste hauling contract should be reduced to reflect building closures and reductions in employee workforce. The county facility cleaning contract should be reduced to three days per week and janitorial supplies should decrease. Other line items are not priority expenditures of the department.

\_\_\_\_\_ Mr. Hartmann      \_\_\_\_\_ Mr. Pepper      \_\_\_\_\_ Mr. Portune

## **Reductions and Reallocations In Detail (cont'd)**

### **3.) Human Resources Department**

#### **TOTAL SAVINGS: \$290,685**

\$240,000+ Eliminate 6 total FTEs from these recommended divisions:

*\*Based on 40k/year average salary with separation costs.*

-- Cut 1.4 FTEs from the HR Development Division

*\*Based upon HR's 2010 forecast "salaries budget", total FTEs reduced from 2.4 to 1.0.*

-- Cut 2.6 FTEs in Comp/Benefits Division

*\*Based upon HR's 2010 forecast "salaries budget", total FTEs reduced from 7.6 to 5.0.*

-- Cut 2 FTEs in Employee Relations Division

*\*Based upon HR's 2010 forecast "salaries budget", total FTEs reduced from 7.1 to 5.1.*

\$50,685 Eliminate HR/Training Division budget; preserve \$13,700 to continue funding mandatory Civil Treatment classes for employees and managers

*\*Based upon HR's 2010 forecast budget of \$64,385.*

The Human Resources Department is comprised of professional and dedicated employees who manage the workforce needs of Hamilton County. The HR Department is the only department I have recommended for additional reductions in the budget at this time.

The HR Department has forecast a total of 29.31 FTEs budgeted for 2010. In addition to the 29.31 HR Department staff budgeted for 2010, independent elected officials and other departments employ at least 15 or more staff specifically dedicated to human resources and personnel functions throughout the county. Combined with an overall workforce reduction of nearly 1,000 employees during the last two years through layoffs and attrition, I believe an adjustment is necessary.

As a result, I am recommending a reduction of 6 employees in the HR Department in addition to reductions already calculated for 2010. Further, I encourage the HR Department to enhance and increase its coordination with independent HR staff in other county departments to address future anticipated needs. I plan to further consult our HR Director to review areas of additional global consolidation in the future.

Also included in the reductions is the suspension of employee training programming with the exception of mandatory Civil Treatment classes for employees and managers.

\_\_\_\_\_ Mr. Hartmann      \_\_\_\_\_ Mr. Pepper      \_\_\_\_\_ Mr. Portune

#### **4.) Recalibrate Economic Development funding**

##### **TOTAL SAVINGS: \$480,000**

- \$130,000      Reallocate OKI Membership out of the general fund for 2010 to the Hamilton County Engineer and Hamilton County Environmental Services
- \$350,000      Utilize \$900,000 loan repayment from the Hamilton County Engineer to the general fund to fulfill current contractual obligation to the Port Authority for FY 2010 (350k).

I recommend the estimated payment of \$130,000 from the Hamilton County general fund to support Hamilton County's OKI membership should be reallocated in 2010 to be funded between the Hamilton County Engineer and Hamilton County Environmental Services. I don't believe that it is a priority of the general fund to support OKI membership at this time.

In 2010 Hamilton County is scheduled to pay a total of \$280,993 for its OKI membership based on population. The mission of the organization is to offer regional planning services in the areas of transportation infrastructure, mass transit, air and water quality planning, and ridesharing to local governments in the tri-state region. The Hamilton County Engineer and Environmental Services Department are the primary stakeholders in the planning activities of this organization and should be financially responsible for maintaining Hamilton County's membership.

I believe OKI is a valuable asset to this region and to Hamilton County and I continue to look forward to their work on behalf of our community. However, I don't believe that the limited dollars of our general fund can or should support a mission specific organization such as OKI.

Finally, I recommend the partial utilization of a \$900,000 loan repayment from the Hamilton County Engineer to the general fund to answer our current contractual obligation to the Port Authority of \$350,000 in FY2010.

\_\_\_\_\_ Mr. Hartmann      \_\_\_\_\_ Mr. Pepper      \_\_\_\_\_ Mr. Portune

## **Reductions and Reallocations In Detail (cont'd)**

### **5.) Eliminate County Law Library General Fund Subsidy**

**TOTAL SAVINGS: \$202,000**

\$202,000

Eliminate County Law Library General Fund subsidy

\*Budget reduced from \$1,108,239 to \$906,239 = 17.5% cut

Over 70% of the Hamilton County Law Library budget is subsidized through Hamilton County Municipal Court fines mandated by Ohio Revised Code. In addition, the library also receives private donations and a yearly subsidy of 202k from the Hamilton County general fund. The current recommended 2010 budget exempts the library from a budgetary reduction, which is unacceptable during a time of unprecedented cuts in all other county departments.

Elimination of the county general fund subsidy equates to a 17% budget reduction to this department and is in line with reductions that all other county departments have experienced. This is not a priority service of the county during this difficult budget.

\_\_\_\_\_ Mr. Hartmann      \_\_\_\_\_ Mr. Pepper      \_\_\_\_\_ Mr. Portune

### **6.) Eliminate Earned Personal Day Payouts**

**TOTAL SAVINGS: \$130,000**

\$30,000

Eliminate Earned Personal Day payouts – \*General Fund

\$90,000

Eliminate Earned Personal Day payouts – \*Restricted Funds

\*Use sum of savings to support 1.5 FTEs.

All Commissioner controlled department employees have the option of earning a "paid out" personal day three times per year. Each four month period costs \$40,000 in "pay outs" from the general fund and through restricted funds. I recommend that personal days may still be earned when sick leave is unused, but the practice of paying out personal days should end. Funding this program should not be a priority of limited county funds during a difficult budget.

\_\_\_\_\_ Mr. Hartmann      \_\_\_\_\_ Mr. Pepper      \_\_\_\_\_ Mr. Portune



In addition to the \$2.1 million in budget reductions to be reallocated for public safety purposes, I recommend the following proposals to identify future cost savings for the Hamilton County general fund if enacted:

*\*Item numbers 2 through 10 are intentionally not calculated to estimate cost savings. Rather, each recommendation provides a means to more effectively control spending, increase cost savings and comprehensively address structural budgetary concerns. I look forward to working with my fellow Commissioners and County Administration to further develop and implement these concepts.*

## **2. IMPLEMENT 2010 SPENDING CONTROLS For All County Departments**

**A. \$500 or more, get three quotes:** During FY2010, all county department purchase orders for supplies or services that cost \$500 or more must be required to obtain three price quotes and must be personally approved by the Department Director. Currently this threshold is set at \$2,500.

**B. Restrict use of "blanket" purchase orders:** The use of vendorless encumbrances in all county departments should be limited to predictable orders only and commodities should be exempt. These "blanket" purchase orders currently allow a number of commodities to evade county procurement guidelines and do not ensure the best price on behalf of county tax payers.

### **3. CONDUCT A COMPREHENSIVE CONTRACT AND PROCUREMENT REVIEW**

The economic downturn has caused state and local governments across the nation to consider all aspects of their budgets, including contractual expenditures. In 2008, Hamilton County approved 415 contracts valued at over \$54.5 million across all funds. Terms of some contracts may be temporary while other contracts contain renewal options over several years.

I will request County Administration to coordinate with the Purchasing Department and the County Prosecutor to conduct a series of meetings to educate all county departments on their options to identify cost savings in contracts and inform them of their rights and ability to renegotiate or rebid contracts. For example, when legally permissible, county departments may seek to renegotiate contracts to realize cost savings in the following areas:

- Reduced hourly rates
- Reduced scope
- Eliminated or deferred deliverables
- Reduced volume

During this contract review, I will request that the Purchasing Department and County Prosecutor consider renegotiation provisions for contracts that would view a vendor favorably if a savings of 10-15% could be achieved.

### **4. HAMILTON COUNTY PURCHASING SUMMIT**

I believe that the Hamilton County Purchasing Department is significantly underutilized by county departments. I request that County Administration coordinate with the Purchasing Department to conduct a county purchasing summit in December 2009 for all departments to be updated on the resources and tools available to them through the Purchasing Department.

## 5. CONSULTANT CONTRACT STANDARDIZATION TO REDUCE USE OF SERVICES

The County must reduce its dependency on outside consultants. I will be offering a proposal to establish a standardized billing procedure based upon payment rates and terms of compensation for all Board Controlled Department consultant contracts paid by the general fund.

Currently, a number of consultants are compensated by the lump sum with little detail of exact work performed on behalf of the County. I propose that the County implement boilerplate contractual hourly billing rates for all consultants with rare exceptions effective July 1, 2010. In addition, I will propose that we require detailed itemizations of all work performed on behalf of Hamilton County based upon the contractual hourly rate of consultants. This billing adjustment will better enable county departments to specifically track and access the value of each consultant based upon more stringent requirements describing the services rendered. Independent elected officials will also be strongly encouraged to implement this billing standardization for consultants.

County Administration should coordinate with the Purchasing Department and Prosecutor's Office to seek to enact this billing change effective July 1, 2010 on new contracts and implement this change on all contract renewals from that point forward.

### **Limited Reimbursement: No Frills**

Additionally, I will separately propose the elimination of reimbursement to consultants for food and lodging, as is standard practice in the industry. I propose that the County reimburse for travel only for consultants outside of Hamilton County. I do not believe that the county's limited resources should be spent on entertainment and lodging at this time.

## 6. GO PAPERLESS

I request County Administration to work with county departments to identify 10 additional forms, applications, newsletters or permits to view or submit in electronic format in 2010.

## **7. COUNTY BUILDING SPACE CONSOLIDATION REVIEW**

During the last two years, a reduction of 1,000 employees in the county workforce combined with recent building space consolidations or closures compel the need for a comprehensive review of all county owned facilities. I request that County Administration provide a formal report to the Board of Commissioners on all spatial options available for consideration including the enhanced use of county buildings for alternative purposes or sale of county property.

## **8. IDENTIFY HIGHEST AND BEST USE OF ECONOMIC DEVELOPMENT FUNDS IN 2010**

Over \$1 million of the general fund budget is currently allocated toward the economic development activities of Hamilton County. This funding supports several entities that perform economic development functions on behalf of the County including the Port Authority of Greater Cincinnati, the Hamilton County Development Company (HCDC) and the Cincinnati USA Regional Chamber of Commerce.

In 2009, Hamilton County and the City of Cincinnati jointly enacted a successful reformation of the Port Authority to extensively broaden the powers of the entity and appoint new board leadership. Now that the reformation is complete, it is essential for the Port Authority to develop a strategic plan in consultation with the County and the City, assemble its funding and begin executing their plan. It is reasonable to assume that the funding needs for this entity will eventually exceed the County's current \$350,000 per year contractual obligation with the Port Authority.

Therefore, I request that Commissioners reevaluate the most efficient use of general fund dollars as a means to pursue robust economic development activity in 2010 to prepare for the 2011 budget and beyond.

## 9. ELIMINATE EMPLOYEE TRAVEL IN 2010

Board controlled departments are required to eliminate all non-essential travel and reimbursed travel in 2010. Teleconferencing is encouraged. Other independent elected officials are encouraged to adopt this policy to the extent they do not have legal or accreditation requirements to fulfill.

## 10. REDUCE USE OF THE WORD "MISCELLANEOUS" THROUGHOUT THE BUDGET

The line item descriptions "*Miscellaneous Contractual Services*," "*Miscellaneous Payments*" and "*Miscellaneous Maintenance Agreements*" are used with great regularity in the General Fund Budget. In fact, the line item description including the word "miscellaneous" in the general fund budget totals approximately \$16.3 million in spending.

In order to make sincere adjustments to the County Budget, we must ensure that spending is more specifically articulated; it should be easy for anyone to review a department's budget and ascertain that exactly \$1.5 million was spent on *ABC Consulting* versus a non-descript line item listed as *Miscellaneous Contractual Services* for \$1.5 million.

I request for County Administration and Budget and Strategic Initiatives Staff to work with all county departments to re-classify spending with the line item description as "miscellaneous" by 50% in 2010. The Budget Department should prepare for near abolition of the word from the County budget, except in limited circumstances, in 2011.

The allocation, accounting and expenditure of taxpayer dollars is never "miscellaneous."